

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Egg Commission
Department of Agriculture and Forestry
State of Louisiana
Baton Rouge, Louisiana

August 29, 2001



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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LEGISLATIVE AUDITOR

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**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of June 30, 2001, and for the
Years Ended June 30, 2001 and 2000
With Supplemental Financial Information**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

August 29, 2001

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

General Purpose Financial Statements
and Independent Auditor's Reports
As of June 30, 2001, and for the Years
Ended June 30, 2001 and 2000
With Supplemental Financial Information

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
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August 14, 2001

Independent Auditor's Report
on the Financial Statements

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Egg Commission, a component unit of the State of Louisiana, as of June 30, 2001, and for the years ended June 30, 2001 and 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of management of the Louisiana Egg Commission. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements present fairly, in all material respects, the financial position of the Louisiana Egg Commission as of June 30, 2001, and the results of operations for the years ended June 30, 2001 and 2000, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 5 to the general purpose financial statements, the Louisiana Egg Commission intends to implement Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, for the fiscal year ended June 30, 2002. The effects of Statement Number 34 are expected to significantly impact the presentation of the financial statements in the year of implementation. The revised minimum reporting requirements include *Management's Discussion and Analysis* to introduce the basic financial statements and provide an analytical overview of the commission's financial activities. In addition, the revised requirements include the basic financial statements and notes, which include *government-wide financial statements* that display information about the reporting government as a whole, except for its fiduciary activities, using the economic resources measurement focus and the accrual

LEGISLATIVE AUDITOR


LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Audit Report, June 30, 2001

basis of accounting, as well as *fund financial statements* for the government's governmental and fiduciary funds, that display information about major funds individually and nonmajor funds in the aggregate using the measurement focus and basis of accounting required for each of the two fund categories. Finally, other required supplementary information will be presented.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2001, on our consideration of the Louisiana Egg Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental financial information is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Louisiana Egg Commission. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle", is written over a horizontal line.

Daniel G. Kyle, CPA, CFE
Legislative Auditor

BQD:STD:DSP:dl

[EGG01]

Statement A

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND**

Balance Sheet, June 30, 2001

ASSETS

Cash and cash equivalents (note 2)	\$55,275
Accounts receivable - assessments	<u>1,578</u>
TOTAL ASSETS	<u>\$56,853</u>

LIABILITIES AND FUND EQUITY

Liabilities	NONE
Fund Equity - fund balance - unreserved - undesignated	<u>\$56,853</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$56,853</u>

The accompanying notes are an integral part of this statement.

Statement B**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND****Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Years Ended June 30, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
REVENUES		
Licenses and fees	\$2,030	\$2,190
Assessments	42,937	49,666
Use of money and property - interest earnings	2,327	1,405
Miscellaneous	9,592	9,586
Total revenues	<u>56,886</u>	<u>62,847</u>
EXPENDITURES		
Administrative services (note 4)	10,000	10,000
Travel	3,079	2,492
Operating services	35,168	45,012
Supplies	6,738	6,623
Other charges	2,618	3,381
Total expenditures	<u>57,603</u>	<u>67,508</u>
EXCESS OF EXPENDITURES OVER REVENUES	(717)	(4,661)
FUND BALANCE AT BEGINNING OF YEAR	<u>57,570</u>	<u>62,231</u>
FUND BALANCE AT END OF YEAR	<u>\$56,853</u>	<u>\$57,570</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

Notes to the Financial Statements
As of June 30, 2001, and for the
Years Ended June 30, 2001 and 2000

INTRODUCTION

The Louisiana Egg Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statutes (R.S.) 3:551.1-11. The commission is composed of 12 members, 10 of whom are appointed by the governor upon the joint recommendation of the Poultry Industries of Louisiana, Incorporated, and/or the Louisiana Egg Council, and the Commissioner of Agriculture and Forestry. Two of the members are appointed by the governor from the public at large. Members are appointed to six-year terms, and the appointments are staggered so that either two or four members' terms expire every two years. The Commissioner of Agriculture and Forestry is an ex-officio member with voting privileges. Commission members do not receive any compensation.

The commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, producer, and dealer information services as to the food value of eggs and for instruction on grades and packs and how to evaluate their merits to expand the market for Louisiana-produced eggs. Operations of the commission are funded entirely with self-generated revenues. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the commission. The commission has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

B. REPORTING ENTITY

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The commission is considered to be a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and can impose his will on the commission. The accompanying financial statements present only the activity of the Louisiana Egg

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Commission. Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

The commission uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The General Fund is the general operating fund of the commission and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The General Fund uses the modified accrual basis of accounting. Assessments are recognized in the accounting period in which they become measurable and available, generally considered 45 days after the end of the fiscal year. Licenses, fees, interest, and miscellaneous income are recorded when received. Expenditures are recognized when the related fund liability is incurred.

E. BUDGET PRACTICES

The commission does not adopt a formal budget on a fiscal basis. However, the commission may allocate amounts to be spent on specific projects for the promotion of eggs. Other expenditures are not considered in this allocation.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include interest-bearing demand deposits, certificates of deposit, and cash in the state treasury. Under state law, the commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal offices in Louisiana, in savings

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

**G. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

As discussed in note 3, the capitalization policy for fixed assets changed during the fiscal year ended June 30, 2001. Consequently, the commission has no reportable general fixed assets at June 30, 2001.

The commission has no long-term obligations at June 30, 2001.

**H. COMPENSATED ABSENCES, PENSION
BENEFITS, AND POSTRETIREMENT
HEALTH CARE AND LIFE INSURANCE
BENEFITS**

The commission has no employees. Employees of the Department of Agriculture and Forestry perform all transactions. Therefore, no compensated absences, pension benefits, or postretirement benefits are provided by the commission.

2. CASH AND CASH EQUIVALENTS

At June 30, 2001, the commission has cash and cash equivalents (book balances) totaling \$55,275 as follows:

Interest-bearing demand deposits	\$3,031
Certificates of deposit	39,519
Cash in state treasury	<u>12,725</u>
Total	<u>\$55,275</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2001, the commission has \$42,664 in deposits (collected bank balances), excluding cash in state treasury, which are fully secured from risk by federal deposit insurance (GASB Category 1).

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Cash balances held and controlled by the state treasurer are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by accounting principles generally accepted in the United States of America are included within the state's general purpose financial statements.

3. CHANGES IN GENERAL FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Equipment	<u>\$1,551</u>	<u>NONE</u>	<u>NONE</u>	<u>\$1,551</u>	<u>NONE</u>	<u>\$1,551</u>	<u>NONE</u>

The commission follows Louisiana Property Assistance Agency (LPAA) policy for capitalizing and reporting equipment. The LPAA changed the dollar amount for capitalizing equipment from \$250 to \$1,000 in September 2000. Therefore, the deletions to equipment include items under \$1,000 that were purchased in prior years.

4. ADMINISTRATIVE SERVICES

As shown on Statement B, the commission paid \$10,000 for the years ended June 30, 2001 and 2000, to the Louisiana Department of Agriculture and Forestry for administering and collecting assessments and license fees on the sale of eggs. R.S. 3:551.6(C) allows the Louisiana Department of Agriculture and Forestry to charge the commission all costs incurred in collecting the assessments and license fees.

5. GASB 34 IMPLEMENTATION

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

- A. A Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements (Concluded)

B. Basic Financial Statements:

1. Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.
2. Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
3. Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
4. Required supplementary information, such as budgetary comparison schedules.

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

The commission will implement the general provisions of GASB Statement No. 34 no later than the fiscal year ending June 30, 2002.

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SUPPLEMENTAL FINANCIAL INFORMATION**

**ANNUAL FISCAL REPORT TO THE OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY
As of and for the Year Ended June 30, 2001**

The annual fiscal report presents the financial position of the Louisiana Egg Commission as of June 30, 2001, and the results of its operations for the year then ended. This report contains information in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

STATE OF LOUISIANA

Louisiana Egg Board/Commission
Annual Financial Statement
For the Year Ended June 30, 2001
(fiscal close)

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STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ending June 30, 2001

Louisiana Egg Commission
(Agency Name)

Division of Administration
Office of Statewide Reporting and
Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana
70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Linda Chaney (Name)
Fiscal Director (Title) of LDAF (Agency) who duly
sworn, deposes and says that the financial statement herewith given presents fairly the financial
position of Louisiana Egg Commission (Agency) at June 30, 2001 and the results
of operations for the year then ended in accordance with policies and practices established by
the Division of Administration or in accordance with Generally Accepted Account Principles as
prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before
me, this 31st day of July, 2001.


Signature of Agency Official


Notary Public

Prepared by: Linda Chaney
Title: Fiscal Director
Telephone No.: (225)922-1255
Date: July 31, 2001

Schedule No.



STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ending June 30, 2001
Louisiana Egg Commission
(Agency Name)

Division of Administration
Office of Statewide Reporting and
Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana
70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Linda Chaney (Name)
Fiscal Director (Title) of LDAF (Agency) who duly
sworn, deposes and says that the financial statement herewith given presents fairly the financial
position of Louisiana Egg Commission (Agency) at June 30, 2001 and the results
of operations for the year then ended in accordance with policies and practices established by
the Division of Administration or in accordance with Generally Accepted Account Principles as
prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before
me, this 31st day of July, 2001.


Signature of Agency Official


Notary Public

Prepared by: Linda Chaney
Title: Fiscal Director
Telephone No.: (225) 922-1255
Date: July 31, 2001

STATE OF LOUISIANA

Louisiana Egg

BOARD/COMMISSION

DEPARTMENT OF Agriculture & Forestry

BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS

AS OF June 30, 2001

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General Fund	Special Revenue Funds	General Fixed Assets	General Long-Term Obligations	
ASSETS AND OTHER DEBITS					
Cash and cash equivalents	\$ 55,275	\$	\$	\$	\$ 55,275
Investments					
Receivables	1,578				1,578
Due from other funds					
Other assets					
Fixed assets					
Amount to be provided for retirement of general long-term obligations					
TOTAL ASSETS AND OTHER DEBITS	\$ 56,853	\$	\$	\$	\$ 56,853
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
LIABILITIES:					
Accounts payable	\$	\$	\$	\$	\$
Compensated absences payable					
Due to other funds					
Long-term obligations payable					
Other liabilities					
Total liabilities	-0-				-0-
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets					
Fund balance - reserved					
- unreserved, undesignated	56,853				56,853
- unreserved, designated					
Total equity and other credits					
TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	\$ 56,853	\$	\$	\$	\$ 56,853

The accompanying notes are an integral part of this statement.

Statement A

STATE OF LOUISIANA

Louisiana Egg ~~BOARD~~ BOARD/COMMISSIONDEPARTMENT OF Agriculture & Forestry

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED June 30, 2001

	General Fund	Special Revenue Fund(s)	Total (Memorandum Only)
REVENUES:			
Use of money and property	\$ 2,327	\$	\$ 2,327
Licenses, permits, and fees	44,967		44,967
Sales of commodities and services			
Other	9,592		9,592
Total revenues	56,886		56,886
EXPENDITURES:			
Intergovernmental	10,000		10,000
Other	47,603		47,603
Total expenditures	57,603		57,603
Excess(Deficiency) of Revenues over Expenditures	(717)		(717)
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)	-0-		-0-
Excess(deficiency) of revenues and other sources over expenditures and other uses	-0-		-0-
Fund balance(deficit) at beginning of year (as restated)	57,570		57,570
Fund balance(deficit) at end of year	\$ 56,853	\$	\$ 56,853

The accompanying notes are an integral part of this statement.

Statement B

STATE OF LOUISIANA

Louisiana Egg BOARD/COMMISSION

DEPARTMENT OF Agriculture & Forestry

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP/NON-GAAP BASIS) AND ACTUAL

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED June 30, 2001

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
*	\$	\$	\$
*			
*			
*			
*			
Total revenues			
EXPENDITURES:			
*			
*			
*			
*			
Total expenditures			
Excess(Deficiency) of Revenues over Expenditures			
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)			
Excess(deficiency) of revenues and other sources over expenditures and other uses			
Fund balance(deficit) at beginning of year Adjustment			
Fund balance(deficit) at end of year	\$	\$	\$

* Categorize revenues and expenditures according to board's/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement C

STATE OF LOUISIANA

Louisiana Egg BOARD/COMMISSION

DEPARTMENT OF Agriculture & Forestry

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BUDGET (GAAP/NON-GAAP BASIS) AND ACTUAL

GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED June 30, 20 01

SPECIAL REVENUE FUND(S)

	SPECIAL REVENUE FUND(S)		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
*	\$	\$	\$
*			
*			
*			
*			
Total revenues			
EXPENDITURES:			
*			
*			
*			
*			
*			
Total expenditures			
Excess(Deficiency) of Revenues over Expenditures			
OTHER FINANCING SOURCES(USES):			
Total other financing sources(uses)			
Excess(deficiency) of revenues and other sources over expenditures and other uses			
Fund balance(deficit) at beginning of year			
Adjustment			
Fund balance(deficit) at end of year	\$	\$	\$

* Categorize revenues and expenditures according to board's/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement C

Louisiana Egg BOARD/COMMISSION
DEPARTMENT OF Agriculture & Forestry
Notes to the Financial Statement
As of and for the year ended June 30, 2001

The Louisiana Egg Board/Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture & Forestry, as provided by Louisiana Revised Statutes 3:551.2. The board/commission is composed of 12 members, appointed by the Governor, who serve terms of six years. The board/commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
producer, and dealer information services as to the food value of eggs and for instructing
on grades and packs and how to evaluate their merits in order to expand the market for
la.eggs. Operations of the board are funded with self-generated revenues.

1. Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

2. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity for the board/commission to be the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and public service is rendered within the state's boundaries. The accompanying financial statements present transactions of the La. Egg-Board/Commission and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually the State of Louisiana issues general-purpose financial statements, which are audited by the Louisiana Legislative Auditor.

3. Fund Accounting

The board/commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable financial resources. The funds presented in the financial statement are described as follows:

STATE OF LOUISIANA

Louisiana Egg BOARD/COMMISSION

DEPARTMENT OF Agriculture & Forestry

Notes to the Financial Statement

As of and for the year ended June 30, 2001

General Fund

The General Fund is classified as a governmental fund. The General Fund is the general operating fund of the board/commission and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

Special Revenue Fund(s)

Special Revenue Fund(s) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

The two account groups are not "funds". They are concerned only with the measurement of financial position, not with measurement of results of operations. Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt.

a. General Fixed Asset Account Group – Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental fund.

b. General Long Term Debt Account Group – obligations such as compensated absences payable expected to be financed from governmental funds are accounted for in the general long-term debt account group not in the governmental funds.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The board's/commission's records are maintained on the modified accrual basis of accounting using the following practices:

Revenues

(This space should be used to describe when various revenues are reported.)

Assessments are recorded in the year they are received, which approximate when measurable and available. Interest and miscellaneous income are recorded when received.

Expenditures

(This space should be used to describe how expenditures are generally recognized.)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

(This space should be used to describe the composition of Other Financing Sources (Uses). Examples of Other Financing Sources include amounts equal to the present value of minimum lease payments arising from capital leases, proceeds from the sale of general assets, and operating transfers in. Examples of Other Financing Uses include deposits with escrow agents and operating transfers out.)

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Notes to the Financial Statement

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5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

6. Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

B. BUDGET PRACTICES *

The Louisiana Egg board/commission utilizes the following budgetary practices:

Annually the board/commission adopts a budget that is submitted to the Department as prescribed by LRS. The budget for fiscal year ended (last day of your fiscal year) was adopted on, and is prepared and reported on a accrual basis of accounting. Although budget amounts lapse at year-end, the board/commission retains its unexpended fund balance to fund expenditures of the succeeding year. The budget amounts on Statement C reflect the amended adopted budgets for the fiscal year ended (last day of your fiscal year). There was/were amendment(s) made to the budget.

(There should be a reconciliation of any non-GAAP budget amounts on Statement C to the amounts on Statement B, using the excess of revenues and other sources over expenditures and other uses figures as the basis of the reconciliation.)

The following individual funds had actual expenditures over adopted budgeted expenditures for the year-ended (last day of your fiscal year):

<u>Fund</u>	<u>Fund Type</u>	<u>Ending Fund Balance</u> <u>(Deficit)</u>
		\$

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.)

* The Commission does not adopt a formal budget on a fiscal year basis. However, the Commission may allocate amounts to be spent on specific projects for the promotion of eggs.

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1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Egg ~~Board~~/Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board/Commission may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and in share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. The deposits at June 30, 2001, were secured as follows:

	Deposits in bank accounts			
	Cash	Certificates of Deposit	Other (Describe)	Total
Deposits in bank accounts per balance sheet	\$ <u>3,031</u>	\$ <u>39,519</u>	\$ _____	\$ <u>42,550</u>
Bank balances:				
1. Insured or collateralized with securities held by the entity or its agency <u>in the entity's name</u>	<u>3,031</u>	_____	_____	_____
2. Collateralized with securities held by the pledging institution's trust department or agent <u>in the entity's name</u>	_____	_____	_____	_____
3. Uncollateralized, including any securities held for the entity <u>but not in entity's name</u>	_____	_____	_____	_____
Total bank balances	\$ <u>3,031</u>	\$ <u>39,519</u>	\$ _____	\$ <u>42,550</u>

Note: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institutions, program, account number and amount of the bank balances shown above:

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<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Bank One</u>	<u>Checking</u>	\$ <u>648</u>
2. <u>Bank One</u>	<u>CD</u>	<u>39,519</u>
3. <u>Bank One</u>	<u>Savings</u>	<u>2,383</u>
4. _____	_____	_____
Total		\$ <u>42,550</u>

Were uncollateralized securities fitting the description in (3) above during the year greater than at _____ (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. If not, proceed.

Cash in state treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included in the balance sheet:

Cash in State Treasury	\$ <u>12,725</u>
Petty cash	\$ <u>-0-</u>

2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Louisiana Egg ~~board~~/commission ~~does~~ (does not) maintain investment accounts as authorized by _____ (note legal provisions authorizing investment by the agency).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent in the entity's name

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent in the entity's name

Category 3 - Unsecured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the entity's name

NOTE: If during the year the amount of investments reported in category 3 was greater than at _____ (last day of your fiscal year) attach a statement to that effect and briefly state the cause(s).

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Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

Type of Investments	Category of Risk			Reported Amount	Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$	\$	\$	\$	\$
U.S. Government securities					
Common & preferred stock					
Commercial paper					
Corporate bonds					
Other: (identify)					
Total categorized investments	\$	\$	\$	\$	\$
Investments not categorized: (list separately)					
Total Investments				\$	\$

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds
- b. Securities underlying reverse repurchase agreements
- c. Unrealized investment losses
- d. Commitments as of (fiscal close), to resell securities under yield maintenance repurchase agreements:
 1. Carrying amount and market value at June 30 of securities to be resold
 2. Description of the terms of the agreement
- e. Investment types owned during the year but not owned as of June 30

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f. Losses during the year due to default by counterparties to deposit or investment transactions

g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet

Legal or Contractual Provisions for Reverse Repurchase Agreements

h. Source of legal or contractual authorization for use of reverse repurchase agreements

i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year

Reverse Repurchase Agreements as of the Balance Sheet Date

j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest

k. Commitments on (fiscal close), to repurchase securities under yield maintenance agreements

l. Market value on (fiscal close), of the securities to be repurchased

m. Description of the terms of the agreements to repurchase

n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements

o. Amounts recovered from prior-period losses which are not separately shown on the operating statement

Fair Value Disclosures

p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices

q. Basis for determining which investments, if any, are reported at amortized cost

r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool

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- s. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- t. Any involuntary participation in an external investment pool _____
- u. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate _____
- v. Any income from investments associated with one fund that is assigned to another fund _____

D. RECEIVABLES

At June 30, 2001 (last day of fiscal year), the board/commission had net receivable balances, totaling \$ 1,578, as follows:

Class of Receivable	Governmental Funds		Total Receivables (Net)
	General Fund	Special Revenue	
Assessments	\$ 578	\$	\$ 578
Accrued interest receivable			
Hearing costs			
Fines			
Other: (identify)			
Egg Bd Refund	1,000		1,000
Less allowance for doubtful accounts	()	()	()
Total receivables, net	\$ 1,578	\$	\$ 1,578

E. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts due from other funds detailed by individual fund at your fiscal year end:

Type of Fund	Name of Fund	Amount
		\$
Total due from other funds		\$

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Notes to the Financial Statement

As of and for the year ended June 30, 2001

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due to other funds		\$

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total transfer from other funds		\$

4. List by fund all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total transfers to other funds		\$

F. GENERAL FIXED ASSETS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost. (If historical cost is not available, describe alternate method of valuation and disclose the extent to which fixed assets have been estimated.)

A summary of changes in general fixed assets follows:

	<u>Balance at (beginning)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at (ending)</u>
Land	\$	\$	\$	\$
Buildings				
Equipment	1,551		(1,551)	-0-
Construction in progress				
Total	\$ 1,551		(1,551)	-0-

Removed assets valued at less than \$1,000.00.

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As of and for the year ended June 30, 2001**G. INVENTORIES**

Governmental fund inventories of the board/commission are recorded at cost and recognized as an expenditure when purchased. Inventories at year-end are equally offset by a reservation of fund balance. (Provide the valuation method and inventory system maintained).

H. RESTRICTED ASSETS

Restricted assets in the boards/commissions _____ Fund at _____ (the last day of your fiscal year), reflected at \$ _____ on Statement A, consist of \$ _____ of cash with fiscal agent and \$ _____ of U.S. Treasury Notes held for the Public Improvement Fixed Rate Refunding Bonds.

I. PAYABLES

At _____ (the last day of your fiscal year), the board/commission had payables totaling \$ _____, as follows:

Class of payable	Governmental Funds		Total
	General Fund	Special Revenue	
Account payable	\$ _____	\$ _____	\$ _____
Taxes payable	_____	_____	_____
Salaries payable	_____	_____	_____
Payroll deductions payable	_____	_____	_____
Other payables: (identify)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total payables	\$ _____	\$ _____	\$ _____

J. RETIREMENT SYSTEM The Commission has no employees.

Substantially all of the employees of the board/commission belong to the _____ Retirement System a _____ (single, cost sharing multiple employer, other) defined benefit pension plan. The (Each) System is a statewide public employee retirement system and is available to all eligible employees. The System(s) publish(es) yearly annual financial reports that include detailed historical, financial, and actuarial information.

All full-time board/commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service.

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The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the board/commission is required to contribute at an actuarially determined rate as required by LRS 11:102. The contribution rate for the fiscal year ended June 30, 2001, decreased to ____% of annual covered payroll from the 13.0% and 12.4% required in fiscal years ended June 30, 1999 and 1998, respectively. The board/commission contributions to the System for the years ending June 30, 2001, 2000, and 1999, were \$____, \$____, and \$____, respectively, equal to the required contributions for each year.

K. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered.
2. A description of the accounting and funding policies followed for those benefits.
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable.**
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

**If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

The _____ Board/Commission provides certain continuing health care and life insurance benefits for its retired employees. Substantially all board/commission employees become eligible for those benefits if they reach normal retirement age while working for the board/commission. Those benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the board/commission. The board/commission recognizes the cost of providing these benefits (board/commission's portion of premiums) as an expenditure when paid during the year, which was \$_____ for the year ended _____, 20____. The cost of providing those benefits for _____ retirees is not separable from the cost of providing benefits for the _____ active employees. (or, The board/commission's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended _____, 20____ the costs of _____ retiree benefits totaled \$_____).

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L. LEAVE

1. COMPENSATED ABSENCES

The _____ Board/Commission has the following policy on annual and sick leave: (Describe the leave policy and provide the dollar value of leave benefits in the General Fund and in the General Long Term Debt Account Group.)

A sample follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section C60, \$_____, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise fund when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources \$_____, is recorded in the general long-term obligations account group.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave for (your fiscal year) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$_____. The leave payable (is) (is not) recorded in the accompanying financial statements.

M. LEASES

The _____ Board/Commission records (does not record) items under capital leases as an asset and obligation on the accompanying financial statement. Total rental and lease expenditures for (your fiscal year) amounted to \$_____.

1. OPERATING LEASES

The total payments for operating leases during the fiscal year 2000 - 2001 amounted to \$_____.
A schedule of payments for operating leases follows:

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<u>Nature of lease</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>There- after</u>
	\$	\$	\$	\$	\$	\$
a. Office space						
b. Equipment						
c. Land						
Total	\$	\$	\$	\$	\$	\$

2. CAPITAL LEASES

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

<u>Nature of lease</u>	<u>Date of lease</u>	<u>Last payment date</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>	<u>Fund that pays lease</u>
a. Office space					
b. Equipment					
c. Land					
Total			\$	\$	

The following is a schedule by year of the capital leases for the five succeeding fiscal years as of the last day of your fiscal year:

<u>Year ending June 30,:</u>	<u>Total</u>
2002	\$
2003	
2004	
2005	
2006	
Thereafter	
Total minimum lease payments	
Less amounts representing executory costs	()
Net minimum lease payments	
Less amounts representing interest	()
Present value of net minimum lease payments	\$

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3. REVENUE LEASES

Lessor - Direct Financing Leases

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- ◆ Collectibility of the minimum lease payments is reasonably predictable.
- ◆ No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		(_____)		
Minimum lease payment receivable		_____		
Less allowance for doubtful accounts		(_____)		
Net minimum lease payments receivable		_____		
Less unearned income		(_____)		
Net investment in direct financing lease		\$ _____		

Minimum lease payments do not include contingent rentals that may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for your fiscal year were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by year of minimum lease receivable for the five succeeding fiscal years as of the last day of your fiscal year:

Year ending _____ :	
2002	\$ _____
2003	_____
2004	_____
2005	_____
2006	_____
Thereafter	_____
Total	\$ _____

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Notes to the Financial Statement

As of and for the year ended June 30, 2001**Lessor - Operating Lease**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting) and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues, as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of (the last day of your fiscal year):

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	N/A	_____
Totals	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of _____ (last day of fiscal year):

<u>Nature of lease</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>There-after</u>
a. Office space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____	_____	_____
c. Land	_____	_____	_____	_____	_____	_____
d. Other	_____	_____	_____	_____	_____	_____
Total minimum future rentals	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ land.

N. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in the governmental funds.

The following is a summary of the long-term obligation transactions for (the last day of your fiscal year):

Long term obligations payable at _____, 20__	\$ _____
Additions	_____
Retirements	_____
Long term obligations payable at _____, 20__	\$ _____

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Notes to the Financial Statement

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(Describe in detail the long-term obligations outstanding at fiscal year end. Include a discussion of notes payable as to amount, interest rates, purpose, maturity dates, installment amounts, etc.)

O. LITIGATION

1. The _____ Board/Commission is a defendant in litigation seeking damages as follows:

<u>Date of Action</u>	<u>Description of Litigation</u>	<u>Primary Attorney</u>	<u>Damages Claimed</u>	<u>Insurance Coverage</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Totals			\$ _____	\$ _____

Of the amount not covered by insurance, \$_____, the board/commission has recorded \$_____ as a liability of the General Fund and \$_____ as a general long-term liability, as required by GASB Codification Section C50.

The _____ Board/Commission's legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

Claims and litigation costs of \$_____ were incurred in the current year. Of this amount, \$_____ has been recorded as a current year expenditure in the General Fund and \$_____ has been recorded in the general long-term obligations account group as an obligation not requiring current resources.

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P. RELATED PARTY TRANSACTIONS

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions).

Q. ACCOUNTING CHANGES

Accounting changes made during the year involved a change in accounting _____
(principle, estimate, error or entity). The effect of the change is being shown in _____.

R. FUND DEFICITS

<u>Fund</u>		<u>Deficit Amount</u>
_____	\$	_____
_____		_____
_____		_____
_____	\$	_____
_____		_____

(Give management's response for elimination of the deficits).

S. ENCUMBRANCES

(Describe the board/commission's uses of encumbrance accounting.)

T. COOPERATIVE ENDEAVORS

LRS 33:9022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state. The liability outstanding as of June 30, 2001, by funding source, is as follows:

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Notes to the Financial Statement

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<u>Funding Source</u>	<u>Balance</u> <u>June 30, 2001</u>
State General Fund	\$ _____
Self-generated revenue	_____
Statutorily dedicated revenue	_____
General obligation bonds	_____
Federal funds	_____
Interagency transfers	_____
Other funds/combination	_____

NOTE: Amounts in excess of contract limits **cannot** be used to reduce the outstanding contract balance at June 30, 2001. For example, if a contract specifies a percentage of usage for each month (25%) and usage exceeds that percentage (75%), you cannot claim actual usage that exceeds contract requirements (50%).

NOTE: In order to compute your ending balances by funding source, you should begin with your balances at June 30, 2000. These amounts will be increased by amounts for new contracts and amendments and decreased for payments as well as for liquidations.

U. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2000-2001:

<u>CFDA</u> <u>Number</u>	<u>Program name</u>	<u>State Match</u> <u>Percentage</u>	<u>Total Amount</u> <u>of Grant</u>
		%	\$
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			_____

V. SUBSEQUENT EVENTS

(Disclose any material event(s) affecting the board/commission occurring between the close of the fiscal period and issuance of the financial statement).

STATE OF LOUISIANA
Louisiana Egg BOARD/COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2001
(Fiscal Close)

<u>Name</u>	<u>Amount</u>
	\$
Total	\$

Schedule 1

STATE OF LOUISIANA
Louisiana Egg BOARD/COMMISSION
SCHEDULE OF EXPENDITURES BY OBJECT
For the Year Ended June 30, 2001
(Fiscal Close)

Expenditure	Amount
Personal services *Administrative services	\$ <u>10,000</u>
Travel	<u>3,079</u>
Operating services	<u>35,168</u>
Supplies	<u>6,738</u>
Professional services	<u> </u>
Other charges	<u>2,618</u>
Capital outlay	<u> </u>
Interagency transfers	<u> </u>
Debt service	<u> </u>
Total	\$ <u>57,603</u>

Schedule 2

* The Commission paid \$10,000, for the year ending June 30, 2001, to the Louisiana Dept. of Agriculture & Forestry for administering and collecting assessments and license fees on the sale of eggs.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain our report on compliance with laws and regulations and on internal control as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

August 14, 2001

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of the General Purpose Financial Statements
Performed in Accordance With Government Auditing Standards

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Louisiana Egg Commission, a component unit of the State of Louisiana, as of June 30, 2001, and for the years ended June 30, 2001 and 2000, and have issued our report thereon dated August 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Egg Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Egg Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

EXHIBIT A

LEGISLATIVE AUDITOR

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA

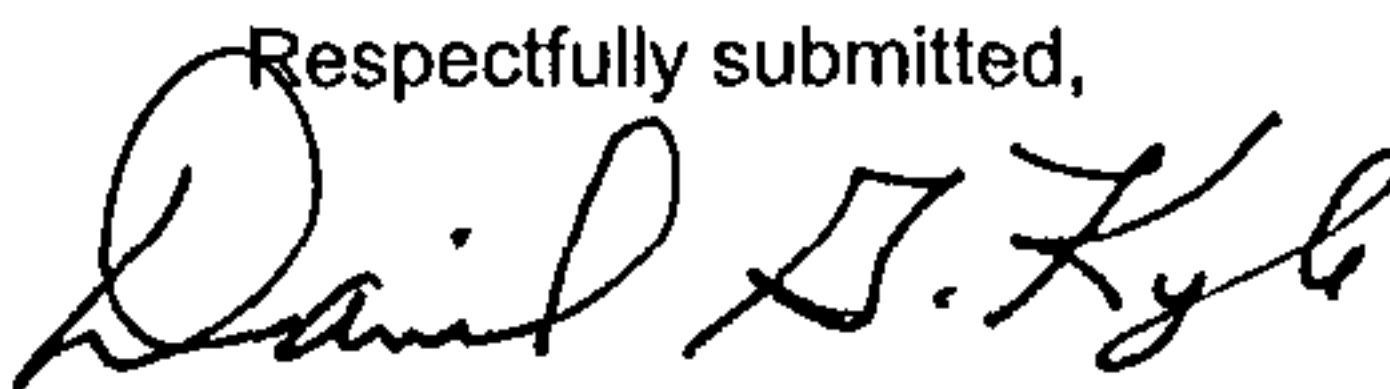
Compliance and Internal Control Report

August 14, 2001

Page 2

This report is intended solely for the information and use of the commission and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is fluid and cursive, with the first name "Daniel" being larger and more prominent than the last name "Kyle".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

BQD:STD:DSP:dl

[EGG01]

EXHIBIT A